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World Meat Price outlook mixed over the coming months

Abundant supplies of poultry are expected to persist over the next 12 months, maintaining downward pressure on international prices. Upward price movement for poultry is also expected to be constrained by adequate supplies and increased use of export restitutions.

Pressured by rising meat supplies, global meat prices in 2002 have dropped and the FAO meat price index has declined two points since the beginning of the year. While in 2001 food safety concerns related to BSE were the main influence on markets, price movements in 2002 are primarily being influenced by abundant meats supplies, particularly in those meat producing countries previously restricted from exporting in 2001, as well as policy developments in major markets. Other factors underlying global meat markets in 2002 include: the waning impact of animal diseases, rising feed prices in major grain exporting markets and economic uncertainties in South America that led to sharp exchange rate movements over the course of the year.

Global meat production in 2002 is forecast to rise by 2.5 percent to 242 million tons. The bulk of the increase is the result of an estimated 3 percent growth among the developing countries, pushing up their share of world production to 56 percent. This would be 1 percent up from their share in the previous year and 5 percent up from 1995.

Food safety concerns, which slowed annual growth in meat trade in 2001 to its lowest level for 13 years, are abating and recovering meat consumption, particularly of beef, is supporting a 3 percent rise in meat trade to 18 million tons.

	2000	2001	2002 forecast.
	(. . . million tons . . .)		
WORLD TOTAL	232.7	235.8	241.6
Poultry meat	68.0	69.9	72.1
Pig meat	89.3	91.1	93.3
Bovine meat	59.5	59.0	60.1
Sheep & goat meat	11.4	11.3	11.5
Other meat	4.5	1.5	4.5
DEVELOPING COUNTRIES	128.4	131.7	135.3
Poultry meat	35.6	36.9	38.1
Pig meat	52.2	54.0	55.4
Bovine meat	26.6	29.9	30.7
Sheep & goat meat	8.1	8.0	8.4
Other meat	2.9	2.8	2.9
DEVELOPED COUNTRIES	104.3	104.0	106.3
Poultry meat	32.4	33.0	34.1
Pig meat	37.1	37.0	37.9
Bovine meat	29.9	29.1	29.5
Sheep & goat meat	3.3	3.2	3.1
Other meat	1.6	1.7	1.7

Source: FAO Note: Total computed from unrounded data.

World Trade:

Total broiler meat exports in 2003 for major exporting countries are forecast to return to record levels at 5.6 million tons, a 4-percent increase from the 2002 estimate. The top 4 exporting countries, the United States, Brazil, the EU, and Thailand, are expected to dominate export markets due mainly to availability of supplies, price competitiveness, and for the EU, increased subsidies. For 2003, broiler meat imports for major countries are forecast at 4.5 million tons, a 2-percent increase from the 2002 estimate. China, the EU, Japan, Mexico, Russia, and Saudi Arabia are expected to account for more than 80 percent of imports.

Source USDA/FAS

European Union:

Broiler meat exports for 2003 are forecast at 695,000 tons, nearly a 4-percent increase from the 2002 estimate. The increase in exports is attributed to greater access to Central and Eastern European countries (CEECs: Poland, Hungary, the Czech Republic, Romania, Bulgaria, Slovakia, Slovenia, Estonia, Latvia, and Lithuania) and larger export refunds for other markets. EU broiler meat exports will gain greater access to CEECs under the double-zero agreement, which eliminates tariffs and prohibits the use of export refunds. In 2001, about 14 percent of the EU's total broiler meat exports were destined to CEECs, compared to 10 percent in 2000. Furthermore, increased export refunds on poultry for 2003 will improve EU's price competitiveness in the Middle East and Russia, key markets for whole birds and parts, accounting for 40 percent of EU's broiler exports in 2001. In its 2003 preliminary budget, the EU allocated 80 million euros (\$79 million), a 45-percent increase from 2002, for poultry export restitutions. The EU is allowed to subsidize up to 286,000 tons of poultry exports per year under its WTO commitment

Russia:

Broiler meat imports are expected to increase 7 percent from the revised 2002 level to a new record at 1.3 million tons in 2003 due mainly to strong demand. Rising production due to favorable grain harvests and increased investment in the poultry sector supports consumption gains in the short-term. Despite an extended trade dispute over certification of imports from the United States, Russia's broiler meat imports from the world for 2002 are projected to reach 1.22 million tons, only 5 percent below the 2001 record level as other countries have expanded exports to Russia.

European Union's Turkey Situation

	1997	1998	1999	2000	2001	2002(p)	2003(f)
	(1,000 tons; ready to cook equivalent)						
Production	1,638	1,700	1,830	1,740	1,777	1,750	1,755
Imports	47	35	44	61	86	120	120
Exports	199	209	234	248	261	350	355
Consumption	1,486	1,526	1,640	1,553	1,602	1,520	1,520

Source USDA/FAS

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending October 28, 2002		Year-To-Date	
	2002	2001/1	2002	2001
Liquid	400	239	21,651	10,710
Frozen	0	0	21	78
Dried	9	0	744	240
Total	409	239	22,416	11,028

U.S. Imports From Canada, in Pounds (000) (Preliminary)

	Week Ending October 28, 2002		Year-To-Date	
	2002	2001/1	2002	2001
Liquid	77	80	5,199	4,594
Frozen	89	42	2,978	1,343
Dried	34	0	4,445	486
Total	200	122	12,622	6,423

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending October 28, 2002		Year-To-Date	
	2002	2001 /1	2002	2001
Jumbo	0	0	1,596	87
Extra Large	1,500	1,890	35,555	58,412
Large	2,400	2,590	110,767	115,218
Medium	1,500	1,050	41,861	38,278
Ungraded	11,280	9,690	299,855	342,260
Misc	0	0	14,797	68,144
Total	16,680	15,220	504,431	622,399

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 26-Oct-02
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,842	1,530	3,372
LAST WEEK	1,822	1,603	3,425
SAME WEEK YR AGO	1,855	1,313	3,168
TO-DATE/2002	75,661	60,753	136,414
TO-DATE/2001	76,768	59,478	136,246

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	212	7	219
LAST WEEK	294	0	294
SAME WEEK YR AGO	355	10	365
TO-DATE/2002	13,105	272	13,377
TO-DATE/2001	18,182	279	18,461

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,054	1,537	3,591
LAST WEEK	2,116	1,603	3,719
SAME WEEK YR AGO	2,210	1,323	3,533
TO-DATE/2002	88,766	61,025	149,791
TO-DATE/2001	94,950	59,757	154,707

SOURCE: USDA/AMS PLTRY PROGRAMS, MRKT NEWS BR.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN 01-NOV-2002
— PRICES ——— VOLUME ———
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

— PRICES ——— VOLUME ———
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.00-18.00	12.25-14.00	244,800	-
WTD AVERAGE	16.50	13.13		
15-20%				
RANGE	11.00-13.00	9.00-13.00	2,652,000	1,754,400
WTD AVERAGE	12.12	10.88		
20% OR MORE				
RANGE	-	10.00-11.00	40,800	-
WTD AVERAGE		10.50		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN 01-NOV-2002
— PRICES ——— VOLUME ———
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

— PRICES ——— VOLUME ———
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.00-17.00	13.75-14.30	594,000	-
WTD AVERAGE	16.84	14.00		
15-20%				
RANGE	11.00-15.50	10.00-12.50	1,924,448	368,000
WTD AVERAGE	13.95	11.56		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 1 NOVEMBER 2002.

Trade sentiment on tom drums was steady to fully steady, hen drums and full-cut wings steady, necks cautiously steady, tom 2-joint wings barely steady at best, and hen 2-joint wings steady to fully steady. Bulk parts demand was fair on tom drums for export, balance light. Offerings of drums were light to adequate, necks light to fully adequate mostly adequate with some spot availability of hens noted, full-cut wings light, hen 2-joint wings short to light and tom 2-joint wings available. Fresh tom breast meat demand was fair with a barely steady at best undertone noted. Domestic and export trading light. Body chopping skin 13, Grade A fresh and frozen 9-14 lb. WOGS 72, plant grade basted 18-20 lb. breasts 102 cents delivered domestic. Scapula traded at 80 cents delivered export.

FRIDAY, NOVEMBER 01, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	22.00		22.00	80	20.81	1,514
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM		T	25.00	312	25.00	312
TAILS						
MECHANICALLY SEPARATED 2/		R	18.27	572	18.26	912
THIGH MEAT - FROZEN	53.00		53.00	60	53.26	460

THURSDAY OCTOBER 31, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	20.00-22.50		20.50	130
WINGS FULL-CUT - TOMS		R	18.00	52
WINGS, V-TYPE, TOM		T	25.00	312
TAILS				
MECHANICALLY SEPARATED 2/	17.00-19.00		18.27	572
THIGH MEAT - FROZEN	53.00		53.00	80

WEDNESDAY, OCTOBER 30, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	19.00-25.00		20.77	1,304
WINGS FULL-CUT - TOMS		R	18.00	52
WINGS, V-TYPE, TOM		T	25.00	312
TAILS				
MECHANICALLY SEPARATED 2/	18.00-19.00		18.24	340
THIGH MEAT - FROZEN	54.00		54.00	120

TUESDAY, OCTOBER 29, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	20.00	120
WINGS FULL-CUT - TOMS		R	18.00	52
WINGS, V-TYPE, TOM	24.00-25.50		25.00	312
TAILS				
MECHANICALLY SEPARATED 2/		R	22.00	104
THIGH MEAT - FROZEN	53.00		53.00	200

MONDAY, OCTOBER 28, 2002**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	20.00	120
WINGS FULL-CUT - TOMS		R	18.00	52
WINGS, V-TYPE, TOM		F	23.50	52
TAILS				
MECHANICALLY SEPARATED 2/		R	22.00	104
THIGH MEAT - FROZEN		F	48.70	260

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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